

108TH CONGRESS
1ST SESSION

H. R. 2854

AN ACT

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program, and for other purposes.

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AN ACT

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXTENSION OF AVAILABILITY OF SCHIP ALLOT-**
2 **MENTS FOR FISCAL YEARS 1998 THROUGH**
3 **2001.**

4 (a) EXTENDING AVAILABILITY OF SCHIP ALLOT-
5 MENTS FOR FISCAL YEARS 1998 THROUGH 2001.—

6 (1) RETAINED AND REDISTRIBUTED ALLOT-
7 MENTS FOR FISCAL YEARS 1998 AND 1999.—Para-
8 graphs (2)(A)(i) and (2)(A)(ii) of section 2104(g) of
9 the Social Security Act (42 U.S.C. 1397dd(g)) are
10 each amended by striking “fiscal year 2002” and in-
11 serting “fiscal year 2004”.

12 (2) EXTENSION AND REVISION OF RETAINED
13 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
14 YEAR 2000.—

15 (A) PERMITTING AND EXTENDING RETEN-
16 TION OF PORTION OF FISCAL YEAR 2000 ALLOT-
17 MENT.—Paragraph (2) of such section 2104(g)
18 is amended—

19 (i) in the heading, by striking “AND
20 1999” and inserting “THROUGH 2000”; and

21 (ii) by adding at the end of subpara-
22 graph (A) the following:

23 “(iii) FISCAL YEAR 2000 ALLOT-
24 MENT.—Of the amounts allotted to a State
25 pursuant to this section for fiscal year
26 2000 that were not expended by the State

1 by the end of fiscal year 2002, 50 percent
2 of that amount shall remain available for
3 expenditure by the State through the end
4 of fiscal year 2004.”.

5 (B) REDISTRIBUTED ALLOTMENTS.—Para-
6 graph (1) of such section 2104(g) is amended—

7 (i) in subparagraph (A), by inserting
8 “or for fiscal year 2000 by the end of fis-
9 cal year 2002,” after “fiscal year 2001,”;

10 (ii) in subparagraph (A), by striking
11 “1998 or 1999” and inserting “1998,
12 1999, or 2000”;

13 (iii) in subparagraph (A)(i)—

14 (I) by striking “or” at the end of
15 subclause (I),

16 (II) by striking the period at the
17 end of subclause (II) and inserting “;
18 or”; and

19 (III) by adding at the end the
20 following new subclause:

21 “(III) the fiscal year 2000 allot-
22 ment, the amount specified in sub-
23 paragraph (C)(i) (less the total of the
24 amounts under clause (ii) for such fis-
25 cal year), multiplied by the ratio of

1 the amount specified in subparagraph
 2 (C)(ii) for the State to the amount
 3 specified in subparagraph (C)(iii).”;

4 (iv) in subparagraph (A)(ii), by strik-
 5 ing “or 1999” and inserting “, 1999, or
 6 2000”;

7 (v) in subparagraph (B), by striking
 8 “with respect to fiscal year 1998 or 1999”;

9 (vi) in subparagraph (B)(ii)—

10 (I) by inserting “with respect to
 11 fiscal year 1998, 1999, or 2000,”
 12 after “subsection (e),”; and

13 (II) by striking “2002” and in-
 14 serting “2004”; and

15 (vii) by adding at the end the fol-
 16 lowing new subparagraph:

17 “(C) AMOUNTS USED IN COMPUTING RE-
 18 DISTRIBUTIONS FOR FISCAL YEAR 2000.—For
 19 purposes of subparagraph (A)(i)(III)—

20 “(i) the amount specified in this
 21 clause is the amount specified in para-
 22 graph (2)(B)(i)(I) for fiscal year 2000, less
 23 the total amount remaining available pur-
 24 suant to paragraph (2)(A)(iii);

1 “(ii) the amount specified in this
2 clause for a State is the amount by which
3 the State’s expenditures under this title in
4 fiscal years 2000, 2001, and 2002 exceed
5 the State’s allotment for fiscal year 2000
6 under subsection (b); and

7 “(iii) the amount specified in this
8 clause is the sum, for all States entitled to
9 a redistribution under subparagraph (A)
10 from the allotments for fiscal year 2000, of
11 the amounts specified in clause (ii).”.

12 (C) CONFORMING AMENDMENTS.—Such
13 section 2104(g) is further amended—

14 (i) in its heading, by striking “AND
15 1999” and inserting “, 1999, AND 2000”;
16 and

17 (ii) in paragraph (3)—

18 (I) by striking “or fiscal year
19 1999” and inserting “, fiscal year
20 1999, or fiscal year 2000”; and

21 (II) by striking “or November
22 30, 2001” and inserting “November
23 30, 2001, or November 30, 2002”, re-
24 spectively.

1 (3) EXTENSION AND REVISION OF RETAINED
2 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
3 YEAR 2001.—

4 (A) PERMITTING AND EXTENDING RETEN-
5 TION OF PORTION OF FISCAL YEAR 2001 ALLOT-
6 MENT.—Paragraph (2) of such section 2104(g),
7 as amended in paragraph (2)(A)(ii), is further
8 amended—

9 (i) in the heading, by striking “2000”
10 and inserting “2001”; and

11 (ii) by adding at the end of subpara-
12 graph (A) the following:

13 “(iv) FISCAL YEAR 2001 ALLOT-
14 MENT.—Of the amounts allotted to a State
15 pursuant to this section for fiscal year
16 2001 that were not expended by the State
17 by the end of fiscal year 2003, 50 percent
18 of that amount shall remain available for
19 expenditure by the State through the end
20 of fiscal year 2005.”.

21 (B) REDISTRIBUTED ALLOTMENTS.—Para-
22 graph (1) of such section 2104(g), as amended
23 in paragraph (2)(B), is further amended—

1 (i) in subparagraph (A), by inserting
2 “or for fiscal year 2001 by the end of fis-
3 cal year 2003,” after “fiscal year 2002,”;

4 (ii) in subparagraph (A), by striking
5 “1999, or 2000” and inserting “1999,
6 2000, or 2001”;

7 (iii) in subparagraph (A)(i)—

8 (I) by striking “or” at the end of
9 subclause (II),

10 (II) by striking the period at the
11 end of subclause (III) and inserting “;
12 or”; and

13 (III) by adding at the end the
14 following new subclause:

15 “(IV) the fiscal year 2001 allot-
16 ment, the amount specified in sub-
17 paragraph (D)(i) (less the total of the
18 amounts under clause (ii) for such fis-
19 cal year), multiplied by the ratio of
20 the amount specified in subparagraph
21 (D)(ii) for the State to the amount
22 specified in subparagraph (D)(iii).”;

23 (iv) in subparagraph (A)(ii), by strik-
24 ing “or 2000” and inserting “2000, or
25 2001”;

1 (v) in subparagraph (B)—

2 (I) by striking “and” at the end
3 of clause (ii);

4 (II) by redesignating clause (iii)
5 as clause (iv); and

6 (III) by inserting after clause (ii)
7 the following new clause:

8 “(iii) notwithstanding subsection (e),
9 with respect to fiscal year 2001, shall re-
10 main available for expenditure by the State
11 through the end of fiscal year 2005; and”;
12 and

13 (vi) by adding at the end the following
14 new subparagraph:

15 “(D) AMOUNTS USED IN COMPUTING RE-
16 DISTRIBUTIONS FOR FISCAL YEAR 2001.—For
17 purposes of subparagraph (A)(i)(IV)—

18 “(i) the amount specified in this
19 clause is the amount specified in para-
20 graph (2)(B)(i)(I) for fiscal year 2001, less
21 the total amount remaining available pur-
22 suant to paragraph (2)(A)(iv);

23 “(ii) the amount specified in this
24 clause for a State is the amount by which
25 the State’s expenditures under this title in

1 fiscal years 2001, 2002, and 2003 exceed
2 the State’s allotment for fiscal year 2001
3 under subsection (b); and

4 “(iii) the amount specified in this
5 clause is the sum, for all States entitled to
6 a redistribution under subparagraph (A)
7 from the allotments for fiscal year 2001, of
8 the amounts specified in clause (ii).”.

9 (C) CONFORMING AMENDMENTS.—Such
10 section 2104(g) is further amended—

11 (i) in its heading, by striking “AND
12 2000” and inserting “2000, AND 2001”;
13 and

14 (ii) in paragraph (3)—

15 (I) by striking “or fiscal year
16 2000” and inserting “fiscal year
17 2000, or fiscal year 2001”; and

18 (II) by striking “or November
19 30, 2002,” and inserting “November
20 30, 2002, or November 30, 2003,”,
21 respectively.

22 (4) EFFECTIVE DATE.—This subsection, and
23 the amendments made by this subsection, shall be
24 effective as if this subsection had been enacted on
25 September 30, 2002, and amounts under title XXI

1 of the Social Security Act (42 U.S.C. 1397aa et
2 seq.) from allotments for fiscal years 1998 through
3 2000 are available for expenditure on and after Oc-
4 tober 1, 2002, under the amendments made by this
5 subsection as if this subsection had been enacted on
6 September 30, 2002.

7 (b) AUTHORITY FOR QUALIFYING STATES TO USE
8 PORTION OF SCHIP FUNDS FOR MEDICAID EXPENDI-
9 TURES.—Section 2105 of the Social Security Act (42
10 U.S.C. 1397ee) is amended by adding at the end the fol-
11 lowing:

12 “(g) AUTHORITY FOR QUALIFYING STATES TO USE
13 CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—

14 “(1) STATE OPTION.—

15 “(A) IN GENERAL.—Notwithstanding any
16 other provision of law, a qualifying State (as
17 defined in paragraph (2)) may elect to use not
18 more than 20 percent of any allotment under
19 section 2104 for fiscal year 1998, 1999, 2000,
20 or 2001 (insofar as it is available under sub-
21 sections (e) and (g) of such section) for pay-
22 ments under title XIX in accordance with sub-
23 paragraph (B), instead of for expenditures
24 under this title.

25 “(B) PAYMENTS TO STATES.—

1 “(i) IN GENERAL.—In the case of a
2 qualifying State that has elected the option
3 described in subparagraph (A), subject to
4 the availability of funds under such sub-
5 paragraph with respect to the State, the
6 Secretary shall pay the State an amount
7 each quarter equal to the additional
8 amount that would have been paid to the
9 State under title XIX with respect to ex-
10 penditures described in clause (ii) if the
11 enhanced FMAP (as determined under
12 subsection (b)) had been substituted for
13 the Federal medical assistance percentage
14 (as defined in section 1905(b)).

15 “(ii) EXPENDITURES DESCRIBED.—
16 For purposes of this subparagraph, the ex-
17 penditures described in this clause are ex-
18 penditures, made after the date of the en-
19 actment of this subsection and during the
20 period in which funds are available to the
21 qualifying State for use under subpara-
22 graph (A), for medical assistance under
23 title XIX to individuals who have not at-
24 tained age 19 and whose family income ex-
25 ceeds 150 percent of the poverty line.

1 “(iii) NO IMPACT ON DETERMINATION
2 OF BUDGET NEUTRALITY FOR WAIVERS.—

3 In the case of a qualifying State that uses
4 amounts paid under this subsection for ex-
5 penditures described in clause (ii) that are
6 incurred under a waiver approved for the
7 State, any budget neutrality determina-
8 tions with respect to such waiver shall be
9 determined without regard to such
10 amounts paid.

11 “(2) QUALIFYING STATE.—In this subsection,
12 the term ‘qualifying State’ means a State that, on
13 and after April 15, 1997, has an income eligibility
14 standard that is at least 185 percent of the poverty
15 line with respect to any 1 or more categories of chil-
16 dren (other than infants) who are eligible for med-
17 ical assistance under section 1902(a)(10)(A) or, in
18 the case of a State that has a statewide waiver in
19 effect under section 1115 with respect to title XIX
20 that was first implemented on July 1, 1995, has an
21 income eligibility standard under such waiver for
22 children that is at least 185 percent of the poverty
23 line, or, in the case of a State that has a statewide
24 waiver in effect under section 1115 with respect to
25 title XIX that was first implemented on January 1,

1 1994, has an income eligibility standard under such
2 waiver for children who lack health insurance that is
3 at least 185 percent of the poverty line.

4 “(3) CONSTRUCTION.—Nothing in paragraphs
5 (1) and (2) shall be construed as modifying the re-
6 quirements applicable to States implementing State
7 child health plans under this title.”.

8 **SEC. 2. TECHNICAL CORRECTION.**

9 (a) TEMPORARY INCREASE OF THE MEDICAID
10 FMAP.—Subparagraphs (A) and (B) of section 401(a)(6)
11 of the Jobs and Growth Tax Relief Reconciliation Act of
12 2003 (Public Law 108–27) are amended to read as fol-
13 lows:

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), a State is eligible for an increase in
16 its FMAP under paragraph (3) or an increase
17 in a cap amount under paragraph (4) for any
18 date after September 2, 2003, only if the eligi-
19 bility under its State plan under title XIX of
20 the Social Security Act (including any waiver
21 under such title or under section 1115 of such
22 Act (42 U.S.C. 1315)) applied as of such date
23 is no more restrictive than the eligibility under
24 such plan (or waiver) as in effect on September
25 2, 2003.

1 “(B) STATE REINSTATEMENT OF ELIGI-
 2 BILITY PERMITTED.—A State that has re-
 3 stricted eligibility under its State plan under
 4 title XIX of the Social Security Act (including
 5 any waiver under such title or under section
 6 1115 of such Act (42 U.S.C. 1315)) for any
 7 date after September 2, 2003, is eligible for an
 8 increase in its FMAP under paragraph (3) or
 9 an increase in a cap amount under paragraph
 10 (4) for subsequent dates in which the State has
 11 reinstated eligibility that is no more restrictive
 12 than the eligibility under such plan (or waiver)
 13 as in effect on September 2, 2003.”.

14 (b) RETROACTIVE EFFECTIVE DATE.—The amend-
 15 ment made by subsection (a) shall take effect as if in-
 16 cluded in the enactment of section 401 of the Jobs and
 17 Growth Tax Relief Reconciliation Act of 2003 (Public Law
 18 108–27).

Passed the House of Representatives July 25, 2003.

Attest:

Clerk.